



City Council Agenda Report

Agenda Item 4.

DATE: December 14, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Jamie Van Ravesteyn, Housing Manager
SUBJECT: Fiscal Year 2020-21 El Cajon Housing Authority Annual Report (pursuant to California Health & Safety Code §34176.1)

RECOMMENDATION:

That the El Cajon Housing Authority reviews and accepts the Annual Report, substantially in the form as presented, for fiscal year ending June 30, 2021.

BACKGROUND:

In 1971, the El Cajon City Council established the El Cajon Redevelopment Agency to oversee redevelopment activities in the City. Tax increment financing was the primary source of funding used to carry out redevelopment activities, and numerous projects (both housing and non-housing) were completed since that time. However, in 2011, the California Supreme Court upheld ABx1 26 effectively eliminating redevelopment agencies throughout the State.

Prior to the effective date of the dissolution, the City Council designated the El Cajon Housing Authority ("Housing Authority") as the successor agency for all housing assets of the former Redevelopment Agency. Although no new tax increment financing for housing activities is available, the Housing Authority has accepted responsibility for the Low and Moderate Income Housing Asset Funds ("LMIHAF") fund balance, the physical housing assets, and the housing loan portfolio which continues to generate income as loans are repaid and/or interest is earned.

The California Health & Safety Code ("HSC") governs the activities and requirements of housing authorities for the use and reporting of LMIHAF funds. Following the conclusion of each fiscal year, two separate annual reports are required to be presented to the legislative body (the City Council), each of which includes different information.

The first report is presented to the City Council in September each year, and includes all the activities undertaken by the Housing Authority during the previous fiscal year as allowed under HSC §34312.3, such as acquisition or disposition of property for development, issuing revenue bonds, making loan commitments for development, etc. The report also includes information on compliance with affordability and rent limit requirements, budget and expenditures, and information on domestic violence tenancy terminations, among other things. This report was presented to the City Council on September 28, 2021, and is required to be submitted to the California Housing and

Community Development Department by October 1st of each year.

This second annual report is a requirement of housing successor agencies following the dissolution of redevelopment agencies and the enactment of Senate Bill 341 in October of 2013. SB 341 amended the Health & Safety Code, and provides legislative guidance on the requirements related to ongoing functions and continuing obligations for successor housing agencies. These sections include more restrictive limitations on and obligations related to expenditures of LMIHAF funds. The purpose of the report is to provide the governing body of the housing successor with an annual report on the housing assets and activities of the housing successor under Part 1.85, Division 24 of the California Health & Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law). This report includes information on expenditures and assessments for compliance with those more restrictive provisions.

This report (Attachment 1) has been prepared pursuant to HSC §34176.1(f) and is dated December 14, 2021. It sets forth certain details of the activities of the Housing Authority during Fiscal Year 2020-21. The report is based upon information prepared by Housing Authority staff, and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund for Fiscal Year 2020-21 pursuant to the audit conducted by Rogers, Anderson, Malody and Scott, LLP as required. This report is provided to the Housing Authority's governing body prior to December 31, 2021 (six months after the end of the Fiscal Year, as required).

FISCAL IMPACT:

No fiscal impact as a result of this action.

Prepared By: Jamie van Ravesteyn, Housing Manager

Reviewed By: Anthony Shute, Director of Community Development

Approved By: Graham Mitchell, City Manager

Attachments

FY 2020-21 Housing Authority Annual Report